

STATE OF TENNESSEE  
LOCAL GOVERNMENT GROUP INSURANCE  
REQUIRED SUPPLEMENTARY INFORMATION  
SEVEN-YEAR CLAIMS DEVELOPMENT INFORMATION

SCHEDULE 9

(Expressed in Thousands)

The table below illustrates how the Local Government Group Insurance Fund's earned revenues and investment income compare to related costs of loss and other expenses assumed by the Local Government Group Insurance Fund as of the end of each of the last seven years, since the inception of the fund. The rows of the table are defined as follows: (1) This line shows the total of each fiscal year's earned contribution revenues and investment revenues. (2) This line shows each fiscal year's other operating costs of the Fund including overhead. (3) This line shows the Fund's incurred claims and allocated claim adjustment expenses (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred. (4) This section shows the cumulative amounts paid as of the end of successive years for each fiscal year, some of these amounts are unavailable. (5) This section shows how each fiscal year's incurred claims increased or decreased as of the end of successive years, these amounts are unavailable for prior years. This annual reestimation results from new information received on known claims, reevaluation of existing information on known claims, as well as emergence of new claims not previously known. (6) This line compares the latest reestimated incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of claims cost is greater or less than originally thought. As data for individual fiscal years mature, the correlation between original estimates and reestimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature fiscal years. The columns of the table show data for successive fiscal years.

	Fiscal Year Ended						
	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
(1) Net earned required contribution and investment revenues	21,805	30,633	41,819	40,589	34,857	34,944	33,846
(2) Unallocated expenses	519	621	1,267	852	1,425	1,184	1,335
(3) Estimated incurred claims and expense, end of fiscal year	19,752	30,128	41,865	33,483	30,138	23,673	19,499
(4) Paid (cumulative) as of:							
End of fiscal year	16,765	*	*	*	*	*	*
One year later	*	*	*	*	*	*	
Two years later	*	*	*	*	*		
Three years later	*	*	*	*			
Four years later	*	*	*				
Five years later	*	*					
Six years later	*						
(5) Reestimated incurred claims and expense:							
End of fiscal year	19,752	30,128	41,865	33,483	30,138	23,673	19,499
One year later	*	*	*	*	*	*	
Two years later	*	*	*	*	*		
Three years later	*	*	*	*			
Four years later	*	*	*				
Five years later	*	*					
Six years later	*						
(6) Increase (decrease) in estimated incurred claims and expense from end of fiscal year	*	*	*	*	*	*	

\*Data Not Available